

CITY OF MARIETTA/BLW PENSION BOARD MEETING

Wednesday, February 8, 2017
9:00 AM – Fourth Floor City Hall Conference Room

MEETING MINUTES (UNOFFICIAL UNTIL APPROVED)

Members Present:

Steve Kish
Freddy Morgan
Rick Steffes
Johnny Walker

Rich Buss
Bobby Moss
Patina Brown
Bill Bruton

Absent:

Stuart Fleming

Ex Officio Members:

Davy Godfrey – Pension Board Secretary and Director, Human Resources & Risk Management
Sam Lady – Pension Board Treasurer and Finance Director

Visitors / Guests

Ian Janecek and Scott Arnwine – Gavion
Fion Lau – Benefits Manager
Rhonda Richardson – HR Administrative Assistant
Tony Kay – AndCo Consulting
Bill Godfrey and Bill Walsh – Prudential
Patti Keesler – Pension Attorney
Beth Keller – Controller/Purchasing Manager
Ginni Harris and Tammy Galvis – Nichols, Cauley, & Assoc.
Jonathan Davidson – Kessler Topaz

CALL TO ORDER:

Chairman Freddy Morgan declared a quorum, and called the meeting to order at 9:00am.

ELECTION OF OFFICERS:

A motion was made by Member Bruton to reappoint Freddy Morgan as Chairman, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

A motion was made by Member Moss to reappoint Rick Steffes as Vice Chairman, and seconded by Member Walker.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

A motion was made by Member Bruton to reappoint Davy Godfrey as Secretary, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

A motion was made by Member Bruton to reappoint Sam Lady as Treasurer, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

A motion was made by Chairman Morgan to reappoint Rick Steffes as Calculation Committee Chairman, and seconded by Member Bruton.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

A motion was made by Vice Chairman Steffes to reappoint Freddy Morgan and Bobby Moss to the Calculation Committee, and seconded by Chairman Morgan.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

APPOINTMENT/REAPPOINTMENT OF LEGAL COUNSEL:

A motion was made by Chairman Morgan to retain Patti Keesler and the firm of Elarbee Thompson as Pension Board attorneys, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 7-0-0 (Member Kish was not present for the vote).

MINUTES:

November 9, 2016, Regular Meeting
November 18, 2016, Special Called Meeting
November 18, 2016, Executive Session
November 21, 2016, Special Called Meeting
November 21, 2016, Executive Session

A motion was made by Vice Chairman Steffes to approve the minutes, and seconded by Member Brown.

The motion carried by the following vote: 4-0-3 (Members Bruton, Brown, and Buss abstained).

BUSINESS:

Pension Audit Report – Nichols, Cauley, & Associates

Ginni Harris from Nichols, Cauley, & Associates presented the Pension Audit Report and letter of unmodified opinion. *(Member Kish arrived prior to the presentation)*

A motion was made by Member Buss to receive and file the report and opinion, and seconded by Member Bruton.

The motion carried by the following vote: 8-0-0.

General Pension Report – Gavion, LLC

Ian Janecek from Gavion presented the General Pension Report for the 4th quarter of calendar year 2016. Scott Arnwine from Gavion presented the preliminary report for January 2017.

Supplemental Pension Report – AndCo Consulting

Tony Kay from AndCo Consulting advised the Pension Board that The Bogdahn Group was now known as AndCo Consulting, but that it changed nothing regarding the current arrangements in place. He then presented the Supplemental Pension Report for 4th quarter of calendar year 2016, including an update regarding the RFP for both consolidation of and individual review of the city's Supplemental Pension and Deferred Compensation plans. The RFP should go out 17 February 2017. He also briefed the Board regarding "socially responsible" investment options.

A motion was made by Member Moss to review consolidation and individual performance of the Supplemental Pension and Deferred Compensation plans via RFP, and seconded by Member Steffes.

The motion carried by the following vote: 8-0-0.

Securities Monitoring Services

Jonathan Davidson from Kessler Topaz presented the Board with his firm's business model, and how they could assist the board in recovery of class action claims and any audits of what could have been previously requested. He advised that these services are provided at no cost to the Board. Discussion ensued regarding how to proceed with any agreement for said services.

A motion was made by Member Moss to move forward with obtaining the services of Kessler Topaz for securities monitoring and class action claims, and seconded by Member Bruton.

The motion carried by the following vote: 8-0-0.

Election Results

Secretary Godfrey presented the Board with memoranda from the General Employee Nominating Committee and the Police Department Nominating Committee indicating the results of the 2016 elections of Rich Buss (general), Patina Brown (general), and Steve Kish (police).

Retirement Applications – Presented by Secretary Godfrey

1. Effective 11/1/2016
PATTERSON, DAVID S
Consolidated Plan, Terminated Vested Early Retirement.
Single Life Option
Employed: 11/19/1990 to 04/04/2003, 10/22/2007 to 12/11/2007, 12 years 6 months
Monthly Benefit: \$418.05
Equipment Operator II
2. Effective 11/1/2016
HANES, RODNEY C
Consolidated Plan, Terminated Vested Normal Retirement.
Single Life Option
Employed: 11/12/2001 to 02/18/2011, 9 years 3 months
Monthly Benefit: \$494.17
Route Driver
3. Effective 11/1/2016
MATHIS, TYRONE T
Consolidated Plan, Terminated Vested Normal Retirement.
Single Life Option
Employed: 5/21/1991 to 9/12/1996, 5 years 3 months
Monthly Benefit: \$154.98
Meter Reader

4. Effective 12/1/2016
SESSOMS, BETH C
Consolidated Plan, Early Retirement.
Single Life Option
Employed: 11/5/2001 to 11/30/2016, 15 years
Monthly Benefit: \$2496.07
Economic Development Mgr.
5. Effective 12/1/2016
MCDANIEL JR, WALTER
4022 Retirement Plan, Alternate Retirement Benefit, Unreduced Early Retirement.
Single Life Option
Employed: 10/25/1984 to 11/30/2016, 32 years 1 month
Monthly Benefit: \$4791.44
Fire Station Commander
6. Effective 12/1/2016
HENSON, RUSSELL D
Consolidated Plan, Unreduced Early Retirement.
Single Life Option
Employed: 4/8/1993 to 11/30/2016, 23 years 7 months
Monthly Benefit: \$2422.98
Police Officer
7. Effective 12/1/2016
HILL, ANTHONY J
Consolidated Plan, Terminated Vested Early Retirement.
Single Life Option
Employed: 9/19/1995 to 2/19/2002, 6 years 5 months
Monthly Benefit: \$274.29
Police Officer
8. Effective 1/1/2017
GORMAN, BEVERLY W
Consolidated Plan, Unreduced Early Retirement.
Single Life Option
Employed: 5/5/1977 to 11/27/1990, 6/18/1992 to 12/31/2016, 38 years 1 month
Monthly Benefit: \$2687.34
Administrative Assistant I
9. Effective 1/1/2017
MYERS, CORNELIUS
Consolidated Plan, Unreduced Early Retirement.
Single Life Option
Employed: 9/6/1988 to 12/31/2016, 28 years 3 months
Monthly Benefit: \$1654.91
CSW I Environmental Services
10. Effective 1/1/2017
WILSON, PAT A
Consolidated Plan, Normal Retirement.
Single Life Option
Employed: 1/2/2007 to 12/31/2016, 10 years
Monthly Benefit: \$813.64
Inspector Code Enforcement

11. Effective 1/1/2017
WILKINS, RONNIE D
Consolidated Plan, Normal Retirement.
Joint and Survivor Option 50% pop-up
Employed: 12/11/2006 to 12/31/2016, 10 years 1 month
Monthly Benefit: \$674.00
Inspector Building Trades
12. Effective 1/1/2017
STEPHENS, EDWARD L
Consolidated Plan, Unreduced Early Retirement.
Joint and Survivor Option 50% pop-up
Employed: 7/3/1990 to 12/31/2016, 26 years 5 months
Monthly Benefit: \$3044.83
Police Lieutenant
13. Effective 3/1/2017
BABB, WILLIS
Consolidated Plan, Terminated Vested, Required Minimum Distribution (RMD)
Single Life Option
Employed: 2/17/1986 to 5/1/1991, 5 years, 2 months
Monthly Benefit: \$139.98
Meter Reader
Retroactive RMD payment from 4/1/2012 to 2/1/2017: \$8,258.82 (59 payments)
14. Effective 3/1/2017
BAAS, KATHLEEN
Consolidated Plan, Terminated Vested, Required Minimum Distribution (RMD)
Single Life Option (Default)
Employed: 7/31/2002 to 8/8/2007, 5 years
Monthly Benefit: \$258.41
Police Services Representative
Retroactive RMD payment from 4/1/2015 to 2/1/2017: \$5,943.43 (23 payments)
15. Effective 3/1/2017
ELLIOTT, JEANNE
Consolidated Plan, Terminated Vested, Required Minimum Distribution (RMD)
Single Life Option (Default)
Employed: 7/3/1989 to 11/22/1996, 7 years, 4 months
Monthly Benefit: \$258.80
Customer Service Clerk II
Retroactive RMD payment from 4/1/2015 to 2/1/2017: \$5,952.40 (23 payments)

Chairman Morgan recognized Patti Keesler to discuss Required Minimum Distributions (RMD), as well as the current pension termination provisions in the Consolidated Retirement Plan. Ms. Keesler indicated that the city had an obligation to find these terminated participants, and that they should receive payments no later than the April 1 of the year following the year they turn age 70 1/2, and retroactive payments are required. Regarding the pension termination provisions in the current plan, Ms. Keesler indicated that the plan was superseded by state law, and that she recommended the plan be amended to incorporate state law. Additionally, she briefed the Board members on the case of Jackson D. Lackey, and she asked for the Board's permission to file a pension forfeiture complaint with the Attorney General's office. She advised that state law provides for a forfeiture of three times the economic impact of the crime committed by the participant in the course of his/her employment.

A motion was made by Member Buss to authorize Patti Keesler to file a pension forfeiture complaint with the Attorney General's office regarding Jackson Lackey's retirement application, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 8-0-0.

A motion was made by Member Buss to amend the retirement plan to incorporate the changes to state law regarding pension forfeiture, and seconded by Member Brown.

The motion carried by the following vote: 8-0-0. The Board directed Secretary Godfrey to work with Patti Keesler and bring a recommended ordinance to the next meeting.

Legislative Update – Presented by Secretary Godfrey

Secretary Godfrey presented a legislative update regarding the 4% contribution for elected officials, pension benefits for elected officials, and pre-retirement death benefits.

The motion from Council requesting a review of the 4% contribution for elected officials was tabled.

Old Business

Social Security Option Amendment – Presented by Secretary Godfrey

Secretary Godfrey presented a proposed amendment to the table in Article VII, Section 3 of the Consolidated Retirement Plan that updates the factors and adds a column for age 67.

A motion was made by Member Buss to amend the Social Security Option table, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 8-0-0.

New Business

GAPPT Membership Renewal and Trustee School

A motion was made by Member Bruton to approve attendance at the Trustee School in Macon in March for any interested members, including expenditure of funds by the Treasurer for this purpose and for that of the memberships, and seconded by Vice Chairman Steffes.

The motion carried by the following vote: 8-0-0.

Credited Service Calculation – Presented by Vice Chairman Steffes

Vice Chairman Steffes presented the Board with some challenges faced with credited service calculations. Patti Keesler was called on to advise the Board regarding the way forward should the Board decide. She advised on a prospective change. After a lengthy discussion, Chairman Morgan directed Secretary Godfrey and Vice Chairman Steffes to work together on 2016 retiree calculations using a "total days of service" calculation and return with results to the next meeting, or earlier for a special called meeting if so needed.

FUTURE ESTABLISHED MEETINGS:

May 10, 2017, 9:00am: Regular Meeting

ADJOURNMENT:

A motion was made by Vice Chairman Steffes to adjourn the meeting, and seconded by Member Brown.

The motion carried by the following vote: 8-0-0. Meeting was adjourned at 11:20am.

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Wednesday, February 8, 2017

9:00 AM – Fourth Floor Conference Room

APPROVED THIS 10th DAY OF May, 2017

Freddy Morgan
Freddy Morgan, Pension Board Chairman

ATTEST: Davy Godfrey
Davy Godfrey, Pension Board Secretary